

Response to DHEC August 12, 2008 Inquiry: Question #6

DHEC Question:

6) It is the Bureau's understanding that a focus group (including but may not have been limited to utilities) provided comments to EPA at the time of the proposed Utility MACT recommending that pulverized coal combustion units and circulating Fluidized bed combustion units be considered as separate sources for purposes of establishing MACT limits. Please provide confirmation regarding this group and, if that was the case, provide as much detail and supporting information as is available concerning the recommendation.

Response:

In 2001, EPA formed a working group under the existing "Permits, New Source Reviews, and Toxics Subcommittee of the Clean Air Act Advisory Committee (CAAAC), established under the Federal Advisory Committee Act (FACA)."¹ The Utility MACT Working Group was formed with an original constituency of 6 representatives of State/local/tribal agencies, 8 representatives of environmental organizations, and 16 representatives of affected sources/fuel producers and suppliers/labor groups. Nine members of the Working Group were formal members or alternates of CAAAC. The working group met 13 times between August 2001 and October 2002. Many of the products of the working group are archived by EPA at:

<http://www.epa.gov/ttn/atw/combust/utilttox/utoxpg.html> .

The scope of the working group was broad and included:

1. Subcategories for mercury,
2. Floor levels for mercury,
3. Beyond-the-floor levels for mercury,
4. Format of mercury standard,
5. Compliance method (monitoring) for mercury,
6. Compliance time,
7. Non-mercury HAP, and
8. Oil-fired units.

¹ Recommendations for the Utility Air Toxics MACT, Final Working Group Report, Working Group for the Utility MACT Formed Under the Clean Air Act Advisory Committee Subcommittee for Permits/New Source Reviews/Toxics, Submitted to: Clean Air Act Advisory Committee, October 2002.

Often subgroups (“mini-groups”) of like-oriented working group members would confer and form positions representing their subgroups, as reflected in the following summary statement by the Working Group in its final report to CAAAC:

Summary of Positions on Subcategories for Mercury. There is agreement that oil- and coal-fired boilers should be separate subcategories. The stakeholders do not agree that IGCC units are subject to the Utility MACT. The treatment of FBC units as a subcategory is recommended by the Environmental and Industry Stakeholders and Texas. The State and Local Agency Stakeholders believe that FBC units do not need a separate subcategory because their emission characteristics are similar to those of the “all other” category. All stakeholders except the environmental groups supported a separate subcategory for lignite-fired boilers. The Majority Industry Group, the Equipment Vendors, and Texas supported separate subcategories for bituminous and subbituminous coals while the CEG, State and Local Agency Stakeholders, and environmental groups did not. WEST Associates supports additional subcategorization within bituminous and subbituminous coal ranks based on the chlorine content of Western coals because of the unique differences in the feasibility, effectiveness, and cost of control of mercury emissions from such low chlorine-content coals.

Hence, the Working Group did not reach consensus on creation of a subcategory for fluidized bed combustion systems, but most members of the Working Group did favor such a subcategory. Even the Clean Energy Group, which generally opposed subcategorization, advocated a separate category for fluidized bed combustion. Indeed, the only subgroup not favoring such a subcategory was the State and Local Agency Stakeholders (excluding Texas), who advocated a system based on fuel: oil, lignite, and “all others.”²

A copy of the Working Group’s final report to CASAAC is attached. In addition, the following interim products from Working Group subgroups are attached:

- Basis and Rationale for Potential Subcategorization of Coal-Fired Electric Utility Steam Generating Units, March 8, 2002, -- (Subcat mini-group Industry paper Mar2002.pdf)
- Subcategorization mini-group presentation 3, 2002
- Recommendations on the Utility Air Toxics MACT, (presentation based on the Working Group report), (Working Group Final Report Presentation.ppt).
- Industry letter to EPA Working Group co-chairs, September 6, 2002, (Industry advice paper.doc)
- Institute of Clean Air Companies letter to EPA Working Group co-chairs, August 27, 2002, (ICAC advice paper.doc).
- Letter by Environmental Caucus (CATF, ED, NET, NWF, NRDC) to EPA Working Group co-chairs, September 20, 2002, (Environmental caucus advice paper.doc)
- Letter by the Clean Energy Group to EPA Working Group co-chairs, September 6, 2002, (Clean Energy Group advice paper.doc)

² Op. Cit., Recommendations....

In our view, the “Basis and Rationale ...” paper is the most technically sophisticated analysis of this issue produced by the Working Group, and we would recommend that DHEC review this paper.